



**INFORMATIONAL MEMORANDUM
DFS-12-2007
ISSUED October 1, 2007
Department of Financial Services
Alex Sink, CFO**

NEW REQUIREMENTS FOR ALL TITLE AGENTS & AGENCIES

Effective October 1, 2007, House Bill 111 of the 2007 legislative session modified several title insurance statutes. Several changes to the law were made that specifically affect title agents and agencies licensed in Florida. Key points for you to know about are:

- **NEW DEFINITIONS AND A NEW WAY TO COMPLETE THE HUD-1 SETTLEMENT STATEMENT**
- **NEW LICENSING AND CONTINUING EDUCATION REQUIREMENTS FOR NON-RESIDENT TITLE AGENTS**

1. GUIDE TO THE NEW DEFINITIONS AND COMPLETION OF THE HUD-1 SETTLEMENT STATEMENT

“Related Title Services” are now referred to as “Closing Services” under s. 627.7711 (1)(a), Florida Statutes, and should be recorded on the HUD-1 Settlement Statement Line 1101. The examination of records is no longer a part of closing services; it is considered part of the primary title services. Similarly, the title search is removed from the definition of “Related Title Services” and is defined separately. Closing Services include:

- Services performed by the licensee
- Preparing the documents for the closing
- Conducting the closing
- Disbursing the funds from the closing

“Title Search” as defined in s. 627.7711 (4), F.S., means compiling of title information from official or public records and it should be recorded on line 1102 of the HUD-1 Settlement Statement.

“Primary Title Services” as defined by s. 627.7711 (1)(b), F.S. should be recorded on line 1108 of the HUD-1 Settlement Statement and include:

- Searching the UCC filings
- Examining the title search records
- Clearing underwriting obstacles
- Determining insurability
- Preparing and issuing the title commitment and title insurance policy

The charge related to “Primary Title Services” is by definition part of the title insurance premium [see s.627.7711 (2) F.S.].

HB 111 modified section 626.9541, F.S. to allow title insurance agents and agencies to return any portion of the agent's share of the premium or any other agent charge or fee to the person responsible for paying the related premium, charge or fee. The Florida Statutes still prohibit a licensee from paying for the referral of title insurance business.

To assure proper credit to the appropriate party, any rebate of the agent's share of the premium should be noted on the HUD-1 Settlement Statement form in the 1100 section on any line not assigned to another topic. It is important to note s. 627.780, F.S. requires licensees to "quote, charge, accept, collect or receive" only the promulgated rate (premium), which should be recorded on lines 1108, 1109, and 1110. The same is true of the charges for the other title related services; listing the amount to be charged in the appropriate line will satisfy these requirements. Agencies looking to return part of these charges back to the payer will need to itemize their rebates on one of the blank lines in Section 1100. *(Please see example below.)*

Section 1100 directions for Florida HUD-1 Settlement Statements effective October 1, 2007

1100.	Title Charges		
1101.	Settlement or closing fee	to	Fee for Closing Services
1102.	Abstract or title search	to	Fee for title search
1103.	Title examination	to	No longer valid (part of Premium)
1104.	Title insurance binder	to	If charged needs credit applied to premium
1105.	Document Preparation	to	No longer valid (part of Closing Services)
1106.	Notary fees	to	No longer valid (part of Closing Services)
1107.	Attorney's fees	to	Fees charged by attorney for services not listed above
	(Includes above items numbers:)
1108.	Title insurance	to	Underwriter's name & total premium for all title insurance
	(Includes above items numbers:)
1109.	Lender's coverage	\$	Coverage amount & premium for lender's coverage only
1110.	Owner's coverage	\$	Coverage amount & premium for owner's coverage only
1111.			Any unassigned line may be used to list any rebate that
1112.			applies to this closing transaction.
1113.			Also used to record credit for binder previously charged

2. NEW LICENSING AND CONTINUING EDUCATION REQUIREMENTS FOR NON-RESIDENT TITLE AGENTS

New requirements in section 626.84201, Florida Statutes (2007), provide that **beginning October 1, 2007, non-resident title agents must pass the Florida title exam for licensure** as required by s. 626.221, F.S.

In addition, non-resident title agents must comply with the continuing education requirements in s. 626.2815(3)(d), F.S. in the same manner as resident title agents. Resident title agents need 10 credits, 3 of which are ethics credits, every 2 years.

For non-resident title agents who have a compliance period** ending between October 31, 2007 and September 30, 2009, the agents can meet the continuing education requirement in Florida through reciprocity if the continuing education requirement is met in their home state or in another non-resident state in which a license is held. If a non-resident title agent does not meet a continuing education requirement in his/her home state or another non-resident state, then the Florida continuing education requirement must be met by taking the hours that Florida requires for non-resident agents.

For non-resident title agents who have compliance periods ending after September 30, 2009, the agents must meet Florida's continuing education requirement in the same manner as a resident title agent. These requirements are found in s. 626.2815(3)(d), F.S..

To check your continuing education compliance date and status, go to www.myfloridacfo.com, click on "Licensing and Renewals", then log on to "My Profile". If you have any questions after visiting "My Profile," please contact the department at (850) 413-3137.

To view HB 111, go to: http://election.dos.state.fl.us/laws/07laws/ch_2007-044.pdf or go to: www.leg.state.fl.us and click on "Senate" in the left-hand menu. Then select Session "2007" and Bill # "111" under "Jump To Bill." Once there, scroll down to "H 0111ER" and select either a web page or pdf version of the bill.

** Pursuant to Rule 69B-220, Florida Administrative Code, a licensee's initial compliance period is the last day of his/her birth month after he/she has been licensed for two (2) years. For example, if a non-resident title agent was licensed in March 2006 and his/her birth month is December, his/her first compliance date would be December 31, 2008 and his/her second compliance date would be December 31, 2010.