

VLTA Examiner

TSA Close-Out Requirements

Description



Licensed title insurance agents and agencies who are RESA

registered (â??TSAsâ??) have certain responsibilities when ceasing business operations. These responsibilities include, but are not limited to: notifying the Bureau of Insurance prior to closing, handling escrow funds in a fiduciary manner, and filing a close-out audit with the Bureau. Sixty days prior to closing shop, TSAs are required to provide the Bureau with written notice of the impending closure and the anticipated date of business termination. As the termination date approaches and after closing, TSAs must continue to handle escrow funds in a fiduciary capacity. This includes making a good faith effort to disburse all escrow funds in the TSAâ??s possession to the rightful owners. If the owner(s) of escrow funds cannot be identified or located, or have failed to take possession, the funds should be escheated to the Virginia Department of Treasury.

Within six months (180 days) of closing business, a TSA must complete and file a close-out audit with the Bureau in accordance with the Bureauâ??s instructions. During the business wind down and after termination, a TSA remains subject to the provisions of Chapter 27.3 of Title 55 of the Code of Virginia and the Rules Governing Settlement Agents in connection with all settlements the TSA performed while licensed and registered. After the close of the business, the TSA (or former TSA) must retain settlement records for five years from the date of settlement. Any time a TSA disposes of records containing a consumerâ??s personal financial information or copies of a consumerâ??s identification documents, the records and copies must be disposed of in a secure manner.

Office of General Counsel
Virginia State Corporation Commission

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