



NEW ESCROW LEGISLATION PASSES OUT OF STATE ASSEMBLY

AB 704 (Cooley) passed unanimously out of the California State Assembly on a 73-0 vote. The bill now moves to the State Senate for approval. AB 704 proposes to create a definition of "escrow" within the California Insurance Code that expressly allows an underwritten title company ("UTC") to handle an escrow in their country of licensure for real or personal property located anywhere in the state.

AB 704 would also replace the \$7,500 certificate of deposit requirement for UTCs with a reasonable and affordable bonding requirement similar to what is currently applicable to escrow agents regulated by the Department of Business Oversight.

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Lori Hershoin, Esq.
Hershoin & Henry, LLP
27422 Portola Parkway, Suite 360
Foothill Ranch, CA 92610
Telephone: (949) 859-5600
E-mail: lorih@hhlawgroup.com

