

Enrolled
House Bill 2490

Sponsored by Representative ESQUIVEL; Representatives BOONE, BUCKLEY, GARRARD, KOMP,
LIM, OLSON, READ, RILEY, THATCHER

CHAPTER

AN ACT

Relating to escrow agents; creating new provisions; and amending ORS 696.581.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 696.581 is amended to read:

696.581. (1) An escrow agent may not accept funds, property or documents in any escrow transaction without dated, written escrow instructions from the principals to the transaction or a dated executed agreement in writing between the principals to the transaction.

(2) An escrow agent may not close an escrow or disburse any funds or property in an escrow without obtaining dated, separate escrow instructions in writing from the principals to the transaction adequate to administer and close the transaction or, in the case of disbursement, to disburse the funds and property.

(3) The following statement or its substantial equivalent shall appear on or be attached to all written escrow instructions prepared by an escrow agent for signature of the principals to a transaction. The statement shall be in at least 10-point bold type. The statement shall either appear immediately above the signatures of the principals or be separately initialed by the principals:

It is understood by the parties signing the above or attached instructions that the instructions are the complete instructions between this firm as an escrow agent and you as a principal to the escrow transaction. These instructions may not include all the terms of the agreement which is the subject of this escrow. Read these instructions carefully, and do not sign them unless they are acceptable to you.

(4) An escrow agent may not solicit or accept any original, amended or supplemental escrow instructions containing any blank to be filled in after signing. An escrow agent shall not allow any alteration of original, amended or supplemental escrow instructions, unless the alteration is signed or initialed by all principals who signed or initialed the instructions before the alteration.

(5) An escrow agent may accept client funds, in excess of earnest money required in transaction documents to be held, as individual funds of the principal who has paid them into escrow. Such individual funds may be disbursed with only the separate written instructions of the principal who deposited the funds into escrow.

(6) An escrow agent may open a one-sided escrow, as defined by rule by the Real Estate Commissioner. Such escrow funds may be disbursed with only the separate written instructions of the principal who deposited the funds into escrow.

(7) Except as authorized in ORS 105.475, notwithstanding the requirement for dated, separate escrow instructions to close an escrow or disburse funds or property in an escrow, an escrow agent:

(a) May disburse earnest money deposited based on an agreement of the parties executed after the initial sales agreement; and

(b) May not impose additional requirements on the principals to the transaction, including a requirement that the principals sign a release of liability in favor of the escrow agent.

SECTION 2. The amendments to ORS 696.581 by section 1 of this 2007 Act apply to escrow transactions entered into on or after the effective date of this 2007 Act.

Passed by House April 11, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate May 15, 2007

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President of Senate

Received by Governor:

.....M,....., 2007

Approved:

.....M,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M,....., 2007

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Secretary of State