



**KANSAS BAR
ASSOCIATION**

TO: **The Honorable Jeff Longbine, Chair**
 And Members of the Senate Committee on Financial Institutions & Insurance

FROM: **Joseph Molina**
 On behalf of the Kansas Bar Association

RE: **HB 2663** - Allowing title insurance agents to submit escrow, settlement or
 closing funds through certain real-time or instant payment systems.

DATE: **March 7, 2024**

Chairman Longbine and members of the Senate Committee on Financial Institutions & Insurance, my name is Joseph Molina and I provide this written testimony on behalf of the Kansas Bar Association in **SUPPORT** of **HB 2663** - Allowing title insurance agents to submit escrow, settlement or closing funds through certain real-time or instant payment systems.

At the outset I would like to thank the Kansas Land Title Association for their diligent work on this issue. Modernizing the process that title agents may use to facilitate closings will greatly improve services rendered to Kansas residents.

HB 2663 is a very straightforward bill that allows the use of modern payment rails such as FedNow or Real-Time Payments to electronically send payments to execute real estate transactions. These processes guarantee that funds received for closing or escrow are “good funds” because if they are not “good” the transaction can be reversed. The finality of a real estate transaction, the protection of a consumer’s money in an escrow account and the stability of the real estate market depends on “Good Funds”. Some have referred to this process at Venmo on steroids.

These modern payment systems will make the process more effective while providing consumer certainty. FedNow is a federally run service built by the Federal Reserve to help make everyday payments fast and convenient. Real-Time Payments is a payment processing network used to send money electronically between banks in the US. RTP is operated by The Clearing House. FedNow may be used in 28 states, Real-Time payments may be used in 27 states.

HB 2663 allows for safe, efficient and complaint real estate transactions. This bill will modernize the industry while maintaining high security standards. For these reasons the Kansas Bar Association **SUPPORTS HB 2663** - Allowing title insurance agents to submit escrow, settlement or closing funds through certain real-time or instant payment systems.

Thank you for your time and attention.

About the Kansas Bar Association:

The Kansas Bar Association (KBA) was founded in 1882 as a voluntary association for dedicated legal professionals. Its more than 7,200 members include lawyers, judges, law students, and paralegals. www.ksbar.org