

SESSION OF 2024

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2663

As Amended by Senate Committee on Financial
Institutions and Insurance

Brief*

HB 2663, as amended, would permit title insurance agents to deposit escrow, settlement, and closing funds for real estate closings, including closings involving refinances of existing mortgage loans, which exceed \$2,500 to be in the form of a real-time or instant payment through the FedNow service operated by the federal reserve banks or The Clearing House payment company's Real-Time Payments (RTP) system.

The bill would also make technical changes.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by the House Committee on Insurance at the request of a representative of the Kansas Land Title Association.

House Committee on Insurance

In the House Committee hearing, **proponent** testimony was provided by a representative of the Kansas Land Title Association. The proponent indicated the bill would modify Kansas law by adding two safe, secure, and fast real-time payment options for individuals attempting to execute real

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

estate transactions. The proponent further explained these payment options would guarantee funds received for closing or escrow are “good funds,” or those that would be irrevocable and available in the closing account.

Written-only proponent testimony was provided by representatives of the Kansas Bar Association and Kansas Association of Realtors.

No other testimony was provided.

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by a representative of Kansas Land Title Association, who stated that the bill would provide for real-time payment on real estate closings, which can sometimes be delayed by the timing of wire transfers. The conferee stated the bill would not alter access to any currently available payment methods but would simply add another payment option.

Written-only proponent testimony was provided by representatives of Kansas Association of Realtors and the Kansas Bar Association.

No other testimony was provided.

The Senate Committee amended the bill to change the effective date to upon publication in the *Kansas Register*.

Fiscal Note

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Kansas Department of Insurance, Office of the State Bank Commissioner, and Department of Credit Unions all indicate enactment of the bill would have no fiscal effect on agency operating expenditures.

Insurance; title insurance; title insurance agents; escrow; settlement; closing funds; FedNow; real-time payment; instant payment; good funds