



**ILLINOIS STATE
BAR ASSOCIATION**

ISBA BAR NEWS

Your source for news from the Illinois State Bar Association

December 2008

RESPA revisions called win for real estate bar

Revisions to the Real Estate Settlement Procedures Act (RESPA) announced Nov. 12 by the U.S. Department of Housing and Urban Development (HUD) are being hailed as a victory for lawyers and consumers.

"It is with great satisfaction and relief that we can report it is a rule that we can all live with," said Henry L. Shulruff, senior vice president of Attorneys' Title Guaranty Fund.

The final version of RESPA reform is significantly modified from the proposal released by HUD earlier this year. It had called for real estate closers to read a "closing script" explaining the process and documents.

According to Shulruff, such a provision would require non-lawyer closers to engage in the unauthorized practice of law, and would add 45 minutes to each closing.

The early proposal also would have allowed negotiation of volume discounts between settlement service providers, giving large banks and national title companies "a strong competitive advantage and the opportunity to monopolize" distribution of services, he added.

The latest RESPA revision provides improved disclosure in the form of a new Good Faith Estimate and a revised HUD settlement statement. The new forms will be required in all real estate transactions beginning Jan. 1, 2010.

Attorneys' Title staff members met with key members of Congress and submitted testimony to the House Financial Services Committee. Representatives Judy Biggert and Don Manzullo from Illinois were credited with coordinating and voicing opposition to the preliminary proposal.

"Many of the changes implemented were suggestions articulated by ATG and its members," Shulruff said. "We can all take pride in the impact we have had in Washington and in Springfield."