

The Senate Judiciary Committee offered the following substitute to SB 355:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 1 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated,  
2 relating to general provisions concerning mortgages, conveyances to secure debt, and liens,  
3 so as to provide for the disbursement of certain settlement funds after closing even though  
4 such funds are not collected funds; to provide that lenders shall provide loan funds in the  
5 form of collected funds at or prior to closing; to provide for related matters; to provide an  
6 effective date; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 1 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated, relating to  
10 general provisions concerning mortgages, conveyances to secure debt, and liens, is amended  
11 by revising subsections (c) and (d) of Code Section 44-14-13, relating to disbursement of  
12 settlement proceeds, as follows:

13 "(c) Except as otherwise provided in this Code section, a settlement agent shall not cause  
14 a disbursement of settlement proceeds unless such settlement proceeds are collected funds.  
15 ~~Notwithstanding that a deposit made by a settlement agent to its escrow account does not~~  
16 ~~constitute collected funds, the A~~ settlement agent may cause a disbursement of disburse  
17 settlement proceeds from the its escrow account ~~in reliance on such deposit under any of~~  
18 ~~the following circumstances~~ after receipt of any of the following negotiable instruments  
19 even though the same are not collected funds:

20 (1) ~~The deposit is either~~ Either (A) a check or draft representing the loan funds issued  
21 by, (B) a certified check, cashier's check, or treasurer's check issued by or drawn on,  
22 or (C) other similar primary obligation of a federally insured bank, savings bank, savings  
23 and loan association, or credit union ~~or of any holding company or wholly owned~~  
24 ~~subsidiary of any of the foregoing~~;

25 (2) ~~The deposit is either a check or draft issued by a lender approved by the United States~~  
26 ~~Department of Housing and Urban Development (HUD)~~;

27 (3) ~~The deposit is a check issued by a lender qualified to do business in Georgia~~;

