

AMENDMENT TO H.R. 1728
OFFERED BY MS. BEAN OF ILLINOIS

At the end of the bill, add the following new title:

1 **TITLE VII—REAL ESTATE SET-**
2 **TLEMENT PROCEDURES ACT**
3 **REQUIREMENTS RELATING**
4 **TO DOCUMENT INSPECTION**

5 **SEC. 701. CLOSING DOCUMENT INSPECTION BY BOR-**
6 **ROWER.**

7 Section 4 of the Real Estate Settlement Procedures
8 Act of 1974 (12 U.S.C. 2603) is amended by striking sub-
9 section (b) and inserting the following new subsection:

10 “(b) CLOSING DOCUMENT INSPECTION BY BOR-
11 ROWER TWO DAYS BEFORE SETTLEMENT.—

12 “(1) LENDER RESPONSIBILITIES.—The lender
13 shall furnish to the settlement agent the completed
14 promissory note, deed of trust or other mortgage in-
15 strument, as the case may be, all items known to the
16 lender that are needed to complete the uniform set-
17 tlement statement, the final Truth-in-Lending Act
18 disclosure, and the final closing instructions at least
19 four business days before the scheduled date of set-
20 tlement.

1 “(2) BORROWER INSPECTION OF DOCU-
2 MENTS.—The settlement agent shall make available
3 to the borrower for inspection the completed docu-
4 ments set forth in paragraph (1) and the completed
5 uniform settlement statement at least two business
6 days preceding the scheduled date of settlement as
7 long as the lender has timely provided the requisite
8 items and documents to the settlement agent, except
9 as provided in paragraph (2) or (3). The settlement
10 agent shall not be responsible for the lender’s failure
11 to comply with paragraph (1).

12 “(3) CORRECTIONS.—Notwithstanding any pro-
13 vision of paragraph (2) to the contrary, the settle-
14 ment agent reserves the right to make corrections to
15 the uniform settlement statement and any related
16 documents prior to the scheduled date of settlement
17 if—

18 “(A) an update of the title search of the
19 prospective mortgaged property reveals liens on
20 record not discovered in previous searches;

21 “(B) subject to the lender’s approval, the
22 borrower’s inspection of the prospective mort-
23 gaged property requires financial adjustments;
24 or

1 “(C) any other matter arises that was not
2 discoverable prior to the dissemination of the
3 documents set forth in paragraph (2).

4 “(D) EXEMPTIONS.—The Secretary may
5 exempt from the requirements of this sub-
6 section settlements occurring in localities where
7 the final settlement statement is not custom-
8 arily provided at or before the date of settle-
9 ment, or settlements where such requirements
10 are impractical.”.

