

TAKE JUDICIAL NOTICE

Section 9 of the Real Estate Settlement Procedures Act (RESPA)

January 21, 2010

As the practice of Sellers attempting to direct placement of title insurance is again becoming prevalent, Judicial would like to remind you of the following.

Section 9 of the Real Estate Settlement Procedures Act (RESPA), 12 U.S.C. 2608, provides as follows:

2608. Title Companies; liability of seller

(a) No seller of property that will be purchased with the assistance of a federally related mortgage loan shall require directly or indirectly, as a condition to selling the property, that title insurance covering the property be purchased by the buyer from any particular title company.

(b) Any seller who violates the provisions of subsection (a) shall be liable to the buyer in an amount equal to three times all charges made for such title insurance.

A 2008 case, *Hopkins v. Horizon Management Services* (2008, CA4 SC) 2008 US App LEXIS 24542, held that Section 9 of RESPA did not apply based upon the particular facts where the seller paid for the owner's title policy.

[Hopkins v. Horizon Management Services 2008 Case](#) (Click to View)