



State of Tennessee

PUBLIC CHAPTER NO. 769

HOUSE BILL NO. 569

By Representative Farmer

Substituted for: Senate Bill No. 394

By Senator Rose

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 35 and Title 66, relative to real property transactions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 35, Part 1, is amended by adding the following as new sections:

56-35-134.

(a) If two (2) title insurance agencies that separately represent the buyer and seller agree to an arrangement to share the title insurance premiums, commissions, or other fees paid by the buyer and seller in a real estate transaction, then the title insurance agencies must:

(1) Provide written notice to the buyer and seller that the title insurance premiums, commissions, or other fees paid by the buyer and seller will be shared between the two (2) title insurance agencies; and

(2) Receive signed, written acknowledgement from both the buyer and the seller confirming that the buyer and seller were notified in writing of the title insurance agencies' intent to share the title insurance premiums, commissions, or other fees paid by the buyer and seller.

(b) A title insurance agency participating in such arrangement shall not purport to accept, assume, share, or guarantee a liability for losses arising under a title insurance policy that the title insurance agency did not issue.

(c) A title insurance agency is not obligated to participate in an arrangement to share the title insurance premiums, commissions, or other fees paid by the buyer and seller in a real estate transaction.

56-35-135.

(a) As used in this section:

(1) "Mortgage lender" has the same meaning as defined in § 47-32-102;

(2) "Mortgage loan broker" has the same meaning as defined in § 47-32-102; and

(3) "Mortgage loan servicer" has the same meaning as defined in § 47-32-102.

(b) Subject to any right of approval by a mortgage lender, mortgage loan broker, or mortgage loan servicer, where those persons or entities are involved in a real property transaction, the settlement agency that is listed as the selected settlement agency for the purchaser or borrower on the contract in connection with the transaction is exclusively authorized to act as the issuing title insurance agency.

(c) This section must not be waived or modified by any party to a transaction.

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(d) This section only applies to a transaction involving the purchase of or lending on the security of real property located within this state that contains not less than one (1) nor more than four (4) residential dwelling units.

(e) This section does not apply to:

(1) The first-time sale of:

(A) New construction real property located within this state containing no less than one (1), nor more than four (4), residential dwelling units; or

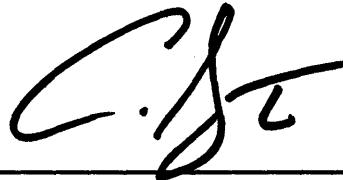
(B) A new construction condominium or single-family residence that is part of a development containing more than four (4) residential dwelling units; or

(2) The sale of real property located in this state by auction, regardless of whether the auction is held in person or online.


SECTION 2. This act takes effect July 1, 2026, the public welfare requiring it.

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PASSED: April 6, 2026



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 21st day of April 2026



BILL LEE, GOVERNOR