



Dear Stewart Partners,

In this week's Mid-Week Update, we are providing you with information regarding interpleader actions and a review of Vermont's recently enacted "Home" bill, intended to address the affordable housing crisis in the state. Also, we've provided links to several Special Alert bulletins that were published last week. Lastly, as a reminder, please see the information at the end of this update about upcoming education opportunities, including one offered by MCLE and featuring two members of Stewart's Massachusetts Underwriting team, Jutta R. Deeney and Tracie Kester, on Thursday, April 4, 2024 from 9:00 AM to 12:00 PM (MCLE: Marking Up Title Commitments, Eliminating Exceptions & Getting Endorsements Program).

Here's hoping that April showers will quickly bring May flowers!



**In Case You Missed It – Special Alert Bulletins impacting New England
issuing offices**

Massachusetts – Special Alert SA2024103 - involving property in Westport, Massachusetts. To view the full bulletin, please follow this link: [MA Special Alert SA2024103](#)

Massachusetts – Special Alert SA2024094 – involving property in Lee, Massachusetts. To view the full bulletin, please follow this link: [MA Special Alert SA2024094](#)

New Hampshire – Special Alert SA2024098– involving property in Madison, New Hampshire. To view the full bulletin, please follow this link: [New Hampshire – Special Alert SA2024098](#)

New Hampshire – Special Alert SA2024097 – involving property in Winchester, New Hampshire. To view the full bulletin, please follow this link: [New Hampshire – Special Alert SA2024097](#)

New Hampshire – Special Alert 20247096 – involving property in Hebron, New Hampshire. To view the full bulletin, please follow this link: [New Hampshire – Special Alert 20247096](#)

All Agents – Special Alert SA2024099 – to view the full bulletin, please follow this link: [All Agents – Special Alert SA2024099](#)



Interpleader Actions By: Katherine Fletcher, Esq., Associate CT State Underwriting Counsel & Associate Senior Underwriting Counsel

When we think about the role of an escrow agent, it seems simple. The escrow agent has been appointed by two or more parties (typically a buyer and a seller) to hold funds in connection with a closing (perhaps the funds are a contract deposit or for a post-closing matter). Once the transaction has closed and any escrow related issues have been resolved, the escrow agent will generally disburse the funds in accordance with mutual instructions from the parties or an underlying agreement. However, not every transaction has a happy ending, as we all know.

If the parties to an escrow arrangement reach an impasse, the escrow agent does not have authority to simply decide which party is entitled to the funds, even if the escrow agent is confident that one party is entitled to the funds at the end of the day. Instead, the escrow agent should request joint instructions from all parties authorizing and directing the escrow agent where to release the escrow funds. If the escrow agent is unable to obtain joint instructions signed by all parties, and after a reasonable period there is still no resolution, the escrow agent may need to file an action to interplead the escrow funds to avoid getting sued by one or more parties claiming ownership of the escrow funds.

An interpleader is a lawsuit that an escrow agent files when an unresolved dispute arises between parties to the escrow. If the court decides the escrow agent is entitled to an interpleader, the interpleader effectively removes the escrow agent who has no real interest in the outcome of the disposition of the escrow funds. Once the escrow agent has been removed, the claimants are provided with a forum in which to argue the matter without wasting the time and money of the escrow agent.

The parties named to the interpleader action are anyone who has a claim to the escrow funds (in the case of a purchase, typically the buyer and seller). This allows the escrow agent to bring all claimants into the same action, instead of litigating against claimants in separate actions. Once the action is commenced and all necessary parties are named, the escrow agent requests that the court allow the escrow agent to deposit the escrow funds into the court's bank account. At that point, the parties to the escrow will address the dispute through the court and the escrow agent is removed from the litigation. Typically, an escrow agent's attorney fees and costs are reimbursed from the escrow funds incurred in filing an interpleader action.

This is just a brief overview of interpleader actions, which vary from state to state. There are issues that occasionally arise beyond the scope of this summary. Always feel free to reach out to a Stewart underwriter for further assistance.



Vermont's Affordable Housing Solution – The “Home” Bill By: Jill Spinelli, Esq., Vermont State Counsel & Associate Senior Underwriting Counsel

Act 47, known as the “Home” bill was passed in 2023 as a legislative attempt to address the shortage of affordable housing in Vermont. According to a letter by the Vermont Mayors Coalition in 2023, 36% of Vermont households pay over 30% of their income on housing, and more than 16% of Vermont households pay over 50% of their income on housing, placing them at significant risks for housing insecurity. Act 47 attempts to address the affordable housing shortage in a number of ways. It utilizes regulatory tools to limit municipalities from restricting higher density development, it exempts certain housing projects from Act 250 in areas planned for growth, it requires study committees to develop recommendations for future strategies to combat the affordable housing shortage, and it provides new loans and funding programs. Here are a few highlights.

ACT 47 Zoning Highlights

- Invalidates deed restrictions or covenants added after July 1, 2023 if they require a minimum dwelling unit size on the property or certain parking restrictions. See 27 VSA § 545 (b).
- Increases allowances for duplexes and multi-unit dwellings in residential districts. See 24 VSA §4412(1)(D).
- Expands ability to convert non-residential buildings to habitable space for use as accessory dwellings. See 24 VSA §4412(1)(E).
- Creates dimensional standards that permit five or more dwelling units per acre for each allowed residential use. See 24 VSA §4412(12).
- Encourages affordable housing development. See 24 VSA §4412(13).
- Eliminates minimum parking requirements. See 24 VSA § 4414(4).
- Provides that a Zoning Administrator may approve minor subdivisions. See 24VSA § 4463(a).
- Limits the ability to appeal a project based on “character of the area” claim for affordable housing projects. See 24 VSA §4465 (b)(4).
- Exempts jurisdictional triggers for ACT 250 Review for certain projects located within specified growth centers until 7/1/26. Each project must be deemed exempt by the District Environmental Commission. See 10 VSA §6001 Section 16a.
- Allows hotels to rent rooms with public assistance funds. See 24 VSA §4412(1)(H).
- Provides mandatory disclosure for property owners selling land served by a class 4 highway to disclose that the municipality is not required to maintain said highway or trail. See 27 VSA § 617(a).

In addition to creating favorable development conditions for affordable housing, Act 47 creates a framework for VHFA loans for first-time buyers as well as a Rental Housing Revolving Loan Program that would provide subsidized loans for rental housing development targeted at middle income households. These programs are dependent on public funds being available. Additional planning and studies are envisioned by the Act to evaluate existing and future strategies to address the affordable housing crisis.

The Act can be viewed at the following link: [The “Home” Bill Act](#)



Upcoming Educational Opportunities

Massachusetts Continuing Legal Education Program (MCLE) – Marking Up Title Commitments- 4/4/2024

Two members of Stewart's Massachusetts Underwriting team, Jutta R. Deeney and Tracie Kester, will be part of a panel hosting MCLE's Marking Up Title Commitments, Eliminating Exceptions & Getting Endorsements Program on **Thursday, April 4, 2024** from **9:00 AM to 12:00 PM**.

MCLE's tuition for this program is:

\$245 for non MCLE members / \$220.50 for MCLE members / \$122.50 for New Lawyers admitted to law practice within 5 years, Pending Admittees, Law Students and Paralegals/ Free for MCLE OnlinePass Subscribers. (Tuition includes MCLE Real Estate Title Practice in Massachusetts book)

To register with MCLE for this program, follow this link: [MCLE Registration](#)

Stewart's Massachusetts Underwriters Talk Title – 4/10/2024

Join Massachusetts State Underwriting Counsel, Tracie Kester, Esq. for our second installment of Stewart Underwriters Talk Title. April's topic is **Deeds and Acknowledgments**. Tracie will lead a concise 30 minute session covering the specific requirements for sufficient acknowledgments on a Massachusetts Deed or Mortgage and why it's important in the title context. The session will also discuss signing authority for entities and some fraud and forgery risks to watch out for.

This complimentary webinar for Stewart's agents will take place on **April 10, 2024** from **11:00 AM – 11:30 AM**.

To register, follow this link: [Stewart's MA Talk Title Registration](#)

NELTA's Lunch and Learn Webinar: Problems with Private Ways – 5/29/2024

NELTA, which is the New England Land Title Association, will be hosting a live webinar on **May 29, 2024**, featuring Danielle Andrews Long, Esq. of Robinson & Cole. Danielle will discuss frequently encountered issues with private ways and abutters.

The program is free to members of NELTA and \$50 for non-members.

For more information and to register follow this link: [NELTA's Lunch and Learn Webinar Registration](#)



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