

WFG Informational Bulletin

To: All Ohio Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: March 23, 2017
Bulletin No: OH2017-02
Subject: Ohio Good Funds Law Revision

The Ohio Legislature has amended the Good Funds Section of the Consumer Protection Act, §1349.21, effective April 6, 2017. The law will require that funds in excess of \$1,000.00 must be received by the escrow or closing agent by wire transfer. All other forms of tender over \$1,000.00 are unacceptable, including ACH transfers. Please note that this also means it will no longer be permissible for agents to deposit checks and allow them to clear.

Real estate broker's checks are the sole exception. Agents are advised to notify all parties to transactions of the change in the law in advance of closing.

The complete statute as revised is:

1349.21 [Effective 4/6/2017] Disbursing from an escrow account.

No escrow or closing agent knowingly shall make, in an escrow transaction, a disbursement from an escrow account on behalf of another person, unless the following conditions are met:

- A. *The funds necessary for the disbursement:*
- 1) *Have been transferred electronically to or deposited into the escrow account of the escrow or closing agent and are immediately available for withdrawal and disbursement ;*
 - 2) *Are in an aggregate amount not exceeding one thousand dollars, have been physically received by the agent prior to disbursement and are intended for deposit no later than the next banking day after the date of disbursement; or*
 - 3) *Are funds drawn on a special or trust bank account as described in division (A)(26) of section [4735.18](#) of the Revised Code.*
- B. *The transfers or deposits described in division (A) of this section consist of any of the following:*
- 1) *Business checks drawn on special or trust bank accounts described in division (A)(26) of section [4735.18](#) of the Revised Code;*

- 2) *Cash, personal checks, business checks other than those described in division (B)(1) of this section, certified checks, cashier's checks, official checks, or money orders that are in an aggregate amount not exceeding one thousand dollars and are drawn on an existing account at a federally insured bank, savings and loan association, credit union, or savings bank;*
- 3) *Electronically transferred funds via the automated clearing house system initiated by, or a check issued by, the United States or this state, or by an agency, instrumentality, or political subdivision of the United States or this state; or*
- 4) *Electronically transferred funds via the real-time gross settlement system provided by the Federal Reserve banks.*

The Ohio Land Title Association's Frequently Asked Questions may be helpful in understanding the nuances of the changes. Access these Frequently Asked Questions by clicking the link below:
[Ohio Land Title Association - FAQs](#)

Information Bulletins are designed to provide our agents with information we think will help in managing their business or just being better title professionals, but which does not rise to the level of being an underwriting mandate and are not within the scope of the agency agreement.