

Good Funds: ABA vs. ACH

All Wires are Not Alike

“Good Funds” are funds that are immediately available to the title company upon deposit.

Depending on the type of funds deposited into title, a waiting period may apply before those funds can be disbursed or the transaction can close.

ABA WIRES

We encourage all customers to deposit funds by ABA (Federal Reserve Clearing House) wire. These funds are available for immediate credit. The sending bank has verified cleared funds in the senders account before sending the wire. They cannot be recalled without the approval of the receiving company.

ACH TRANSFERS

These are not the same as wired funds. Both wires and ACH (Automated Clearing House) transfers are done electronically, however there is a major difference. ACH transfers can be unilaterally recalled by the person sending the ACH up to 90 days after the transfer. This does not meet good funds requirements. ACH credits are not considered *“Guaranteed Funds”* and cannot be accepted from any financial institution. All of our accounts are blocked for ACH credit and debits.



CASHIER'S CHECKS

Required to be issued from a California bank. Before a bank will issue a cashier's check, they have verified there are cleared funds in them. Cashier's checks can be considered good funds once deposited into the trust account and once cleared from the issuing bank. Clearance usually takes one to three days, depending on the bank, and must be verified before closing. The concern for cashier's checks is they can be counterfeit and can take time before they are discovered to be fake. They may also delay closing from one to three days.

MONEY ORDERS

We do not accept money orders for closing purposes. They are not guaranteed funds under Reg. CC (Section 12413.1 C.I.C.) that deals with the availability of funds and collection of checks. There is also the possibility of them being fraudulent and it can take weeks before they are returned or payment can be verified.

Please contact your Progressive Title Representative with any questions.

PROGRESSIVE
TITLE COMPANY, INC.

Part of the TRG Family of Companies