



Escrow Deposits

Good Funds for Escrow Closing

Escrow companies are required to comply with the “Good Funds Law” RCW 18.44.400 for all funds deposited into escrow. Below are some guidelines to help your closing, be a smooth one.

What exactly are “Good Funds”?

The State of Washington law regarding funds deposited into an escrow reads: “An escrow agent shall not make disbursements until the next business day after the business day on which the funds are deposited unless the deposit is made in cash, by interbank electronic transfer, or in a form that permits conversion of the deposit to cash on the same day deposit is made.”

What funds are considered acceptable?

- **Wire Transfers from a FDIC insured bank (Preferred and Fastest Method)**
 - A wire transfer is the best choice to insure funds for closing escrow are good funds. These funds are electronically transferred into our trust account from the client’s bank account.
**Please NOTE: ACH transfers are not wire transfers; escrow trust accounts are blocked from sending or receiving ACH transfers because these electronic transfers can be recalled by the issuers.*
- **Cashier’s Checks**
 - Cashier’s Checks can take up to two business days to clear
 - Once a cashier’s check has been deposited for closing, the amount does not become “good funds” until it has been paid by the issuing financial institution.
- **Money Orders**
 - Money Orders drawn by USPS (United States Postal Service) are treated the same as Cashier’s Checks above
 - Money Orders drawn at any other institution will take 10 days before funds are considered collected.

Escrow cannot accept the following types of deposits for closing funds:

- Personal Checks
- Official Checks
- Cash - Escrow has no way to securely handle large sums of cash.
- Foreign Currency - Escrow cannot be responsible for exchange rates.
- ACH (Automatic Clearing House Transactions) - Deposits into an escrow trust account must be associated with a specific escrow number and a specific branch’s account. ACH transfers do not make this possible.

Escrow makes every effort to inform your clients about the Good Funds Law and closing funds requirements. Please reinforce this with all clients to create a smooth closing for all.

Disclaimer – This flyer is intended for informational purposes only.
All information here was gathered from seemingly reliable sources.
Please contact your closing team for more information.

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