



# Good Funds

Not all funds are alike.  
What forms are accepted to close?

“Good funds” are funds that are immediately available to the title company upon deposit. Per the Colorado Division of Real Estate and Division of Insurance, good funds are required to complete disbursement of real estate transactions.

**ABA Wires-** We encourage all customers to wire transfer funds by ABA (American Bankers Association) wire. These funds process through the Federal Reserve Clearing House and are immediately available for use upon receipt in the title company’s bank account. The sending bank has verified cleared funds in the senders account before they send the wire transfer. ABA wires cannot be recalled without approval of the receiving title company. ABA wire transfers are good funds.

**ACH Transfers-** Although also an electronic transfer of funds, there is a major difference in an ACH (Automated Clearing House) transfer from an ABA wire transfer. ACH transfers can be unilaterally recalled by the person sending the ACH up to 90 days after the transfer, so ACH credits **do not meet good**

**funds requirements and cannot be accepted** to close the transaction upon receipt and deposit into the title company’s account. Because of this major difference, our bank accounts have been blocked for ACH credits and debits.



**Cashier’s Checks-** Before a banking institution will issue a cashier’s check, they have verified the funds are cleared and able to be transferred. Cashier’s checks are considered good funds once deposited into the trust account. Typically cashier’s checks are immediately accepted for closing, but some title companies and banking institutions may require verification of validity from the issuing bank. There is a growing concern about validity of cashier’s checks as counterfeiters have become more prevalent. Because of this trend, some title companies may not accept cashier’s checks for any amount. Be sure to talk with your closer about accepted funds.

**Money Orders-** Money orders may be accepted by Colorado title companies, although it is more common for individuals to present a money order as Earnest Money rather than as closing funds. As with checks, money orders raise concern of being fraudulent so some entities may refuse to accept them as good funds at their discretion.

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