

Changes Effective
April 6th, 2017

Understanding the Basics of the

OHIO GOOD FUNDS LAW

What are Good Funds?

For transactions involving residential real estate, settlement agents may disburse only when the funds for the transaction qualify as Good Funds, as defined by Ohio statute*.

What are acceptable forms of Good Funds under the Ohio statute?

Effective April 6, 2017, the following are the only form of funds a settlement agent may collect and disburse on in connection with a residential real estate transaction:

1. Wire Transfers
2. Checks: Personal, Business, Certified, Cashier's, Official Check or Money Order. The combined dollar amount of these items cannot exceed \$1,000.00.

Examples:

- Personal check for \$100.00 and cashier's check for \$879.00

ACCEPTABLE - Total dollar amount is \$979.00, which is less than \$1,000.00.

- Money order for \$200.00 and cashier's check for \$801.00

NOT ACCEPTABLE - Total dollar amount is \$1,001.00, which exceeds \$1,000.00 limit.

- Certified check for \$1,000.05

NOT ACCEPTABLE - Total dollar amount is \$1000.05, which exceeds \$1,000.00 limit.

- Personal check for \$858.00

ACCEPTABLE - Total dollar amount is less than \$1,000.00.

3. Checks from the United States, the State of Ohio, or Ohio municipalities.

4. Checks from a real estate broker's escrow/trust account.

While the Ohio statute defines what is acceptable as Good Funds, following the statutory guidelines will not protect the settlement agent from liability for loss arising from uncollected funds.

Are there any other conditions for Good Funds?

Yes, the funds must be immediately available for withdrawal and disbursement by the agent for the transaction. For additional information regarding Good Funds, please consult with your closing agent.

*See ORC §1349.21, Consumer Protection - Disbursing from an escrow account, effective 01/01/1996, amended effective 04/06/2017 for further details.



PM Title, LLC

Offices in Grove City, Upper Arlington, Marion and Washington C.H.

P 614.991.0827

www.pm-title.com

PM TITLE, LLC.

 Find us on
Facebook