

Good Funds Legislation

- During the 2009 session of the General Assembly a bill was passed which is commonly referred to as "Good Funds" legislation.
- The language was included in Senate Bill 2111 and is now Public Act 096-0645
- The provisions of the good funds legislation are effective January 1, 2010
- Good funds legislation applies to title insurance companies, title insurance agents and independent escrowees who are making disbursements from a fiduciary trust in connection with an escrow, settlement or closing.
- The good funds bill does not apply to a lender who is closing their own transaction or any party other than a title insurance company, title insurance agent or independent escrowee, closing a transaction
- The legislation includes specific provisions indicating when funds can be disbursed by the closing agent. (PLEASE SEE CHART FOR PARTICULARS) The items marked with an asterick indicate that the title company must have reasonable grounds to believe that sufficient funds are able to back the check.
- The establishment of these guidelines is intended to help protect the closing agent from being asked to fund closings when funds are not actually available to the closing agent.

Presented by: FOX TITLE COMPANY

Illinois Good Funds – 1/1/2010

Aggregate dollar amount

Acceptable "Good Funds:

\$5,000.00 or less

Personal Check *
Cashier's Check, Certified Check, Bank Money Order
Official Bank Check
Attorney Trust Account Check *
Realtor Check*
Wired Funds
Title Company or Title Agent Check*
State of Illinois, Local Government or US Govt. Check
"Collected Funds" as defined below

Less than \$50,000.00

Cashier's Check, Certified Check, Bank Money Order,
Official Bank Check
Attorney Trust Account Check*
Realtor Check*
Wired Funds
Title Company or Title Agent Check*
State of Illinois, Local Government, or US Govt. Check
"Collected Funds" as defined below

\$50,000.00 and above

Wired Funds
Title Company or Title Agent Check*
State of Illinois, Local Government or US Govt. Check
"Collected Funds" as defined below

*We still must have reasonable basis to believe the account on which these types of checks are drawn has sufficient funds.

"Collected funds" means funds deposited, finally settled, and credited to the title insurance company or title insurance agent fiduciary trust account.

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