



# ACH VERSUS WIRE TRANSFERS

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All California Escrow companies are required to comply with the "Good Funds" Law (Section 12413.1 of the California Insurance Code) for all funds deposited into escrow.

**Our bank AUTOMATICALLY REJECTS ACH transfers.** This rejection process can take up to 10 business days to show funds back in your account.

## **What is an ACH (Automated Clearing House) Transfer and why is it NOT accepted?**

- ❖ Electronic payments or transfers for regular transactions, like utility bills or mortgage payments
- ❖ Can be reversed, which does not make these funds "Good Funds"
- ❖ Can take 1-3 business days to process

## **What is a wire transfer and why is it accepted?**

- ❖ Direct bank-to-bank transfer, often used for large sums like down payments and closing costs
- ❖ Processed same day or within a few hours
- ❖ Secure but irreversible
- ❖ A wire transfer is an acceptable form of "Good Funds"

**Please confirm with your bank on their instructions on how to initiate a standard wire transfer.**

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