

FIVE STAR
ESCROW



ACH VERSUS WIRE TRANSFERS

ACH VERSUS WIRE TRANSFER

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.



This material is not intended to be relied upon as a statement of the law, and is not to be constructed as legal, tax, or investment advice. Please consult your legal, tax, or investment professional for specific advice. This is meant for general informational purposes only. Although the information has been gathered from sources believed to be reliable, no representation is made as to its accuracy.