

Arizona Department of Financial Institutions



SUBSTANTIVE POLICY STATEMENT

Section: Escrow Agents
Subject: Funds Disbursement Statute

March 25, 2010
Policy Statement # EA-3

This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona administrative procedure act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under Arizona Revised Statutes § 41-1033 for a review of the statement.

Escrow Agents must not disburse money from an escrow account until funds related to the transaction have been deposited and are available in accordance with A.R.S. § 6-843.

Disbursement Guide

Type of Deposit Into Escrow Agent's Depository Account	Same Day	Next Day * (1 st Business Day)	2 nd Day *	5 th Day *
Cash, Bank Wire, Electronic Payment or Transfer	X			
Cashier's, Certified Teller's, and Official Checks	X			
Checks made by an affiliate of a state or federally regulated depository institution where the check is drawn on the affiliated depository	X			
U.S. Treasury Checks, Postal Money Orders		X		

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Type of Deposit Into Escrow Agent's Depository Account	Same Day	Next Day * (1st Business Day)	2nd Day *	5th Day *
Federal Reserve, Federal Credit Union & Federal Home Loan Bank Checks		X		
State, County & Municipal Government Checks		X		
Personal, Corporate, Credit Union, Money Market & Traveler's Checks			X	
All other Money Orders (Non – U.S. Postal)				X
Drafts: <u>No disbursement</u> until funds received and collected				

***Business Day:** Funds are potentially available on the *Business Day indicated above. A business day is defined as a calendar day other than Saturday or Sunday, and excluding most major holidays. If January 1, July 4, November 11 or December 25 fall on a Sunday, the next Monday is excluded from the definition of a business day. Note that individual banks may require additional “hold” periods longer than shown above. *Late-day may be considered deposited on the next business day.*

Effective February 27, 2010, there will only be a single check processing region for purposes of regulation CC and there will no longer be any checks that are considered non-local.