



WET/DRY SETTLEMENT

This matrix is distributed to provide general information about the subject matter covered and should not be utilized as a substitute for professional advice for your specific situation. If you require such advice, please consult with your own professional advisers.

Wet Settlement: Funds and all loan conditions need to be on the table at the time of closing.

Dry Settlement: There are no funds available at closing.

STATE	WET/DRY	NOTES	CITATIONS
Alabama	Wet	A lawyer shall not make disbursements of a client's funds from separate accounts containing the funds of more than one client unless the client's funds are collected funds; provided, however, that if a lawyer has a reasonable and prudent belief that a deposit of an instrument payable at or through a bank representing the client's funds will be collected promptly, then the lawyer may, at the lawyer's own risk, disburse the client's uncollected funds. If collection does not occur, then the lawyer shall, as soon as practical, but in no event more than 5 working days after notice of noncollection, replace the funds in the separate account.	AL Rules of Professional Conduct, Rule 1.15(d) Safekeeping Property
Alaska	See Notes	Small Act loans (Loans <= \$25K): Wet funding. Loan proceeds need to be delivered by the date the loan is made to the borrower. If proceeds are delivered by mail, then they must be registered or certified, and interest must be charged only from the date the proceeds are received by the borrower even though the note may bear a prior date; A settlement agent may not disburse escrow money on the same business day as the items are deposited unless the deposit is made in cash, by interbank electronic transfer, or in a form that permits conversion of the deposit to cash on the same day the deposit is made. A settlement agent may not disburse escrow money on the business day after the business day on which the items are deposited unless the deposit is made by: 1. Cashier's check or a certified check and the cashier's check or certified check is payable in the state and drawn on a financial institution located in the state; 2. Cashier's check, a negotiable order of withdrawal, a money order, or another item and the check, order of withdrawal, money order, or other item has been finally paid before the disbursement; or 3. Depository check, including a cashier's, certified, or teller's check, that is governed by the Expedited Funds Availability Act; All other loans: Dry funding.	3 AK ADC 12.370(a); Alaska Stat. § 34.80.040
Arizona	Dry	A mortgage banker/broker shall not record a mortgage or deed of trust if monies are not available for the immediate disbursal to the mortgagor unless, before that recording, the mortgage banker/broker informs the mortgagor in writing of a definite date by which payment shall be made and obtains the mortgagor's written permission for the delay. There are no laws requiring lenders or brokers to disburse funds at closing, but the law does address escrow agents. Escrow agents may only disburse money out of an escrow account if deposits are previously made and relate directly to the transaction for which the money is being disbursed. The form of deposits include: 1. Wire transfer; 2. Certified check; 3. Cashier's check; 4. Teller's check; 5. A check made by an affiliate of a state or federally regulated deposit institution where the check is drawn on the affiliated depository institution.	Ariz. Rev. Stat. §§ 6-947(N); 6-909(O); 6-843



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Arkansas	Wet	No person, firm, partnership, corporation, or other entity that provides closing and settlement services for a real estate transaction shall disburse funds as a part of such services until those funds have been received and are available for immediate withdrawal as a matter of right from the financial institution in which the funds have been deposited. Provided, however, the person, firm, partnership, corporation, or other entity providing closing and settlement services may advance funds, not to exceed \$500, on behalf of interested parties for the transaction, to pay incidental fees and charges pertaining to the closing and settlement of the transaction.	Ark. Code Ann. § 18-12-703(a)
California [CFL, REB/DRE & RML]	Dry	There are no laws requiring lenders or brokers to disburse funds at closing, but the law does address escrow agents. Good funds from a loan funding escrow may not be disbursed until the checks or drafts deposited are collected. The following are three factors in determining when a check or draft has been collected: 1. If by cash or via wire transfer, funds may be disbursed the same day as the deposit; 2. If by cashier's or teller's check, funds may be disbursed the day following deposit; 3. If by personal check, funds must be disbursed the day on which it is available to depositors under Regulation CC adopted by the Federal Reserve.	Cal. Ins. Code § 12413.1
Colorado	Wet	No person or entity that provides closing and settlement services for a real estate transaction shall disburse funds as a part of such services until those funds have been received and are either: Available for immediate withdrawal as a matter of right from the financial institution in which the funds have been deposited; or available for immediate withdrawal as a consequence of an agreement of a financial institution in which the funds are to be deposited or a financial institution upon which the funds are to be drawn. The person providing settlement services may advance an amount not exceeding \$500 to pay for any incidental fees, such as recording costs and tax certificates. "Available for immediate withdrawal" means loan funds transferred by: 1. Wire transfer; 2. Certified check; 3. Cashier's check; 4. Teller's check; or 5. Any other instrument as defined by 12 CFR 229.10. The above requirements may be waived by the seller in the real estate transaction if complies with Colo. Rev. Stat. § 38-35-125(3).	Colo. Rev. Stat. § 38-35-125
Connecticut	Wet	Any person who makes any first mortgage loan or any secondary mortgage loan, shall, at the time of consummation or at the termination of any right to rescind, whichever is later, pay the loan proceeds to the mortgagor, to the mortgagor's attorney, to the mortgagee's attorney or to any other person specified in any settlement statement, any written agreement between the mortgagor and the mortgagee or any written instruction of the mortgagor, by a certified, bank treasurer's or cashier's check or by means of wire transfer. All Loans: Connecticut closing attorneys should not disburse loan funds from their client's account until the proceeds have been credited to such accounts as of the time of disbursement or loan closing.	Conn. Gen. Stat. § 36a-758; CT Statewide Grievance Committee Ethics Opinion 99-1
Delaware	Wet	Delaware does not have a wet settlement act, but there is a "good funds" rule applicable to lawyers. A lawyer shall not disburse fiduciary funds from his or her attorney trust account unless the funds deposited in the account to be disbursed are good funds. Good funds shall mean: 1. Wire transfer; 2. Cash; 3. Certified check; 4. Bank cashier's check or treasurer's check; 5. U.S. or DE Treasury check; 6. Check drawn on a separate trust or escrow account of an attorney engaged in the private practice of law in DE, held in a fiduciary capacity, including his or her client's funds; 7. Check of an insurance company that is authorized by the Insurance Commissioner of DE to transact insurance business in DE; 8. Check no greater than \$10K; 9. Check greater than \$10K, which has been actually and finally collected and may be drawn against under federal or state banking regulations then in effect; or 10. Check drawn on an escrow account of a real estate broker licensed by the state of DE up to the limit of guarantee provided per transaction by statute.	DE Lawyers' Rules of Professional Conduct 1.15(n)



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District of Columbia	Wet	The following only applies to transactions involving purchase money loans secured by first or second deeds of trust: A lender shall, at or before loan closing, cause disbursement of loan funds to a settlement agent. Until disbursement of loan funds and loan closing occurs, lender shall not receive or charge any interest, and shall not require payment of any interest in advance. Disbursement of loan funds means the delivery of loan funds by a lender to a settlement agent in the form of: 1. Cash; 2. Wired funds; 3. Certified checks; 4. Checks issued by the District of Columbia; 5. Cashier's check or teller's check; or 6. Checks drawn on a financial institution the accounts of which are insured by an agency of the federal, a state, or the DC government, and are located within the 5th Federal Reserve District.	D.C. Code §§ 42-2402; 42-2403; 42-2401(1)
Florida	Wet	When funds are not available for immediate disbursement to the mortgagor, such procedure will be considered a misleading and deceptive practice. However, unless prior to such recording, the licensee or registrant informs the mortgagor in writing of a definite date by which payment will be made, and secures the mortgagor's written permission for the delay thus entailed. Title insurance agent or title insurer may disburse funds from the trust account in the form of: 1. certified check, cashier's check, official check, treasurer's check, or money order; 2. Check representing loan proceeds issued by a federally- or state-chartered bank, savings bank, savings and loan association, credit union, mortgage broker, or other duly licensed or chartered lender; 3. Bank check, cashier's check, official check, treasurer's check, or other such official instrument issued by a bank, savings and loan association, or credit union; 4. Check drawn on the trust account of a lawyer licensed to practice in FL, real estate broker, mortgage broker, or title insurance agent or title insurer; 5. Check issued by the US Government, Florida or any agency or political subdivision in Florida; 6. Check issued by an insurance company authorized to do business in Florida; or 7. Personal check in an amount not to exceed \$500.	FL ADC 69V-40.011; 69O-186.008
Georgia	Wet	Funds from a loan proceed may not be disbursed by the closing agent unless the funds are collected or under one of the following forms: 1. Cashier's check from a federally insured bank, savings bank, savings and loan association, or credit union and issued by a lender; 2. A check from the U.S. or state agency; 3. A check not exceeding \$5K per loan closing; or 4. A check drawn on the escrow account of a licensed attorney or a real estate broker. The lender shall at or before the loan closing deliver loan funds to the settlement agent in the form of collected funds or as outlined above. However, in the case of refinancing, or any other loan where a right of rescission applies, the lender shall, prior to the disbursement of the settlement proceeds and no later than 11:00 A.M. eastern standard time or eastern daylight time, whichever is applicable, of the next business day following the expiration of the rescission period required under the TIL, deliver loan funds to the settlement agent in one or more of the forms outlined above.	GA ST § 44-14-13
Hawaii	Dry	There are no rules, regulations, or laws obligating the disbursement of funds at closing.	None
Idaho	Dry	Lender must disburse funds in a timely manner, in accordance with any commitment or agreement with the borrower, either directly or through a broker: (i) within 72 hours upon closing of the loan in the case of a purchase/sale transaction; or (ii) within 72 hours upon expiration of the 3 day rescission period in the case of a refinancing, or taking of a junior mortgage on the existing residence of the borrower. If a licensed escrow agent conducts the closing, then the agent may only disburse collected funds in the following forms: 1. Wired funds; 2. Cash; 3. Cashier's, certified, or teller's checks; or 4. Any other specified types of checks which will be collected on the next or second business day after the deposit. Escrow agents may advance their own funds up to \$1K to pay for any incidental expenses incurred at escrow.	ID ADC 12.01.10.060(01)(b); 18.01.25.011



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Illinois	Wet	<p>There are no laws requiring lenders or brokers to disburse funds at closing, but the law does address lawyers and escrow agents. Prior to closing, the lawyer shall deposit loan funds into a segregated Real Estate Funds Account (REFA) maintained solely for the receipt and disbursement of loan funds. Good funds is one of the following forms of deposits: 1. Certified check; 2. Cashier's check; 3. Teller's check; 4. Bank money order; 5. An official bank check issued by a financial institution insured by the FDIC or comparable federal or state government agency; 6. A check issued by the U.S., IL, or a political subdivision of the U.S. or IL; 7. A check drawn on the trust account of any lawyer or real estate broker; 8. A personal check or a check in an aggregate amount not exceeding \$5K per closing; 9. Check from a HUD approved lender; or 10. A check from title insurance company or agent.</p> <p>Effective 1/1/10: A title insurance company, title insurance agent, or independent escrowee shall not make disbursements in connection with any escrows, settlements, or closings out of a fiduciary trust account or accounts unless funds are collected funds or good funds. "Collected funds" means funds deposited, finally settled, and credited to the title insurance company, title insurance agent, or independent escrowee's fiduciary trust account. "Good funds" means (1) lawful money of the US; (2) wired funds; (3) cashier's checks, certified checks, bank money orders, official bank checks, or teller's checks drawn on or issued by a financial institution chartered under the laws of any state or the US; (4) a personal check or checks in an aggregate amount < \$5K per closing; (5) a check drawn on the trust account of any lawyer or real estate broker licensed under the laws of any state; (6) a check issued by this State, the US, or a political subdivision of this State or the US; or (7) a check drawn on the fiduciary trust account of a title insurance company or title insurance agent.</p>	Article VIII. IL Rules of Professional Conduct Rule 1.15(g); SB 2111; 215 ILCS 155/26
Indiana	Wet	There are no rules, regulations, or laws obligating the disbursement of funds at closing; however, the "general practice" in this state is wet.	None
Iowa	Wet	There are no rules, regulations, or laws obligating the disbursement of funds at closing; however, the "general practice" in this state is wet.	None
Kansas	Wet	Creditor must disburse the loan proceeds of a consumer loan secured by a first or a second mortgage upon the satisfaction of all conditions to the disbursement and the expiration of all applicable rescission, cooling-off or other waiting periods required by law, unless the parties agree otherwise in writing. No mortgage company may record a mortgage if moneys are not available for the immediate disbursal to the mortgagor unless, before that recording, informs the mortgagor in writing of a definite date by which payment shall be made and obtains the mortgagor's written permission for the delay.	Kan. Stat. Ann. §§ 16a-3-308a; 9-2212(j)
Kentucky	Wet	There are no rules, regulations, or laws obligating the disbursement of funds at closing; however, the "general practice" in this state is wet. It shall be unlawful for any person to fail to disburse funds in accordance with a loan commitment	Ky. Rev. Stat. Ann. § 286.8-220(2)
Louisiana	Wet	Lender shall make the loan proceeds available to the notary public or licensed title company for disbursement at the time of execution of the act of sale or act of mortgage. This provision shall not apply to any open-end lines of credit or transactions in which a right of rescission applies and if: 1. Loan proceeds are paid or made available in cash, check, cashier's check, traveler's check, share draft, or money order issued by a financial institution; or 2. Notary public or licensed title company fails to comply with the lending institution's written closing instructions.	La. Rev. Stat. Ann. § 9:3506.1



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Maine	Wet	Closed-end loans: wet funding; At or before loan closing, lenders must disburse loan funds to the settlement agent; however, when a right of rescission applies and has not been exercised, the lender must disburse loan funds to the settlement agent prior to noon of the first business day after the expiration of the rescission period. Disbursement of funds is one of the following: 1. Wired funds or electronic transfer; 2. Cash; 3. Certified check; 4. Cashier's check; 5. Teller's check; 6. Any transfer of funds by check or otherwise that is finally collected and unconditionally available to the settlement agent; 7. Check issued by a governmental entity or instrumentality; 8. Checks drawn by a state or federal chartered financial institution or credit union; 9. Checks issued by an insurance company authorized to transact business in ME. All other loans: unregulated. Settlement agents must record required documents and disburse settlement proceeds within 2 business days of settlement, or when any right of rescission applies, at the time that the settlement agent reasonably determines that such right of rescission has not been exercised.	Me. Rev. Stat. Ann. tit. 33, §§ 522; 524; 525
Maryland	Wet	With purchase money mortgage loans, on or before the day of settlement, lenders must disburse loan proceeds in accordance with the loan documents to the settlement agent under one of the following forms: 1. Cash; 2. Wired fund; 3. Certified check; 4. Cashier's check; 5. Check issued by a political subdivision or on behalf of a governmental entity; 6. Teller's check issued by a depository institution and drawn on another depository institution; or 7. Check drawn on a financial institution insured by the FDIC and located in the 5th Federal Reserve District if the lender is: 1. An affiliate or subsidiary of a financial institution insured by the FDIC or the National Credit Union Administration Share Insurance Program; or 2. A mortgage company approved by Fannie Mae and Freddie Mac.	MD Real Prop. § 7-109
Massachusetts	Wet	A lender, prior to the time deed is delivered for recording, may not cause a borrower to execute loan documents until the lender transfers the loan proceeds to the borrower, the borrower's attorney, or the lender's attorney under one of the following forms: 1. Wire transfer; 2. Certified check; 3. Bank treasurer's check; 4. Cashier's check; or 5. Or other type of good funds.	MA ST 183 § 63B
Michigan	Wet	A person may not transfer or assign a mortgage loan or a security directly representing an interest in 1 or more mortgage loans before the disbursement of 75% or more of the proceeds of the mortgage loan to, or for the benefit of, the borrower. This subdivision does not apply to any of the following: (i) A land contract not considered to be an equitable mortgage; (ii) A loan made under a state or federal government program that allows the lender to escrow more than 25% of the loan proceeds for a limited period of time; (iii) A construction loan; or (iv) A loan that provides in writing that the loan proceeds shall be disbursed to or for the benefit of the borrower in installments or upon the request of the borrower or upon the completion of renovations or repairs to the dwelling situated on the real property subject to the mortgage loan.	Mich. Comp. Laws Ann. § 445.1679(1)(b)
Minnesota [ILT]	Wet	A lender, using the closing services of a closing agent, shall at or before the time of the closing deliver loan funds to the closing agent either in the form of "collected funds" or "qualified loan funds". A closing agent shall not make disbursements out of an escrow, security deposit, settlement, or closing account unless the funds received from the lender are "collected funds" or "qualified loan funds." "Collected funds" means funds deposited, finally settled, and credited to the closing agent's escrow account. "Qualified loan funds" means one of the following: 1. Lawful money of the U.S.; 2. Wired funds; 3. Bank money orders; 4. Cashier's check; 5. Certified checks; 6. Teller's check issued by a federally insured financial institution and unconditionally held by the closing agent; 7. U.S. treasury check; 8. Federal Reserve Bank check; 9. Federal home loan bank check; or 10. State of MN warrants. The law also requires closing agents to require collected funds or qualified loan funds at closing unless the closing agent has an established business relationship with the lender (e.g. has performed at least 25 residential closings on behalf of lender).	Minn. Stat. § 82.49



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Mississippi	Wet	There are no laws concerning the disbursement of funds at closing; however, Mississippi Mortgage Consumer Protection Law (MMCPL) prohibits a lender from failing to disburse loan funds in accordance with a written commitment or agreement to make a mortgage loan.	Miss. Code Ann. § 81-18-27(1)(c)
Missouri	Wet	A settlement agent who accepts funds of more than two thousand five hundred dollars for closing a real estate transaction shall require a buyer, seller, or lender who is not a financial institution to convey such funds to the settlement agent as certified funds. A check shall be exempt from the provisions of this section if drawn on: 1. An escrow account of a licensed real estate broker; 2. An escrow account of a title insurer or title insurance agency licensed to do business in MO; or 3. An agency of the US, the state of MO, or any county or municipality of the state of MO; or 4. An account by a financial institution. "Certified funds" are in the following form: 1. U.S. currency; 2. Wire transfer, including written advice from a financial institution that collected funds have been credited to the settlement's agent's account; 3. Cashier's check; 4. A certified check; or 5. Teller's check. A check that is drawn on any of the following, are exempt from the above requirements: 1. An escrow account of a licensed real estate broker or title insurer licensed to do business in MO; 2. The county, municipality or state of MO; 3. An agency of the U.S.; or 4. An account by a financial institution. Title insurance agencies and agents are prohibited in making any disbursement in excess of \$10K from an escrow account maintained as a depository of funds unless a corresponding deposit of funds has been made to the escrow account for the benefit of the payee at least 10 days prior to such disbursement which consisted of "certified funds" or a check made exempt by the above provisions.	Mo. Rev. Stat. §§ 381.410; 381.412
Montana	Wet	A mortgage lender may not: 1. Disburse the proceeds of a mortgage loan without sufficient collected funds on hand at the time of the disbursement in the account upon which the funds are drawn; 2. Fail to disburse funds in accordance with a loan commitment to make a mortgage loan that was accepted by the borrower; and 3. Disburse the mortgage loan proceeds to a closing agent in any form other than: (i) Direct deposit to a borrower's account; (ii) Wire; (iii) Bank or certified check; (iv) Attorney's check drawn on a trust account; or (v) Other form as specifically authorized by applicable law.	Mont. Code Ann. § 32-9-124
Nebraska	Wet	A person acting as a real estate closing agent shall disburse closing funds only from the real estate closing agent's trust account in a federally insured financial institution in the form of "good funds" or in the form of a check drawn from the real estate closing agent's trust account. "Good funds" shall mean: 1. Lawful money of the U.S.; 2. Wired funds; 3. Bank money orders; 4. Cashier's check; 5. Certified checks; 6. Teller's check issued by a federally insured financial institution and unconditionally held by the closing agent; 7. U.S. treasury check; 8. Federal Reserve Bank check; 9. Federal home loan bank check; or 10. State of MN warrants, and warrants of a city of the metropolitan or primary class.	Neb. Rev. Stat. §§ 76-2122; 76-2121
Nevada	Dry	There are no rules, regulations, or laws obligating the disbursement of funds at closing.	None
New Hampshire	Wet	A mortgage banker shall at closing, require the disbursement of the mortgage loan funds in any of the following forms: 1. Wired funds or electronic transfer; 2. Cash; 3. Certified check; 4. Cashier's check; 5. Teller's check; 6. Treasurer's check; 7. Checks issued by a governmental entity or instrumentality; 8. Checks or other drafts that are finally collected and unconditionally available to settlement agent; 9. Checks or other drafts drawn by a state or federal chartered financial institution or credit union; or 10. Checks issued by an insurance company licensed by the NH Department of insurance.	NH ST §§ 397-A:14-b; 477:52



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New Jersey	Wet	First lien loans and HELOCs: when a closing agent is used, a mortgage lender or broker shall not fail to: 1. Present certified, cashier's, teller's, or bank checks for the proceeds; 2. Arrange an electronic funds transfer for the proceeds of the loan; or 3. Provide for payment by cash to the closing agent at a reasonable time and place prior to the time of the closing. The closing agent shall deposit the loan proceeds in a trust or escrow account and shall disburse loan proceeds upon the closing or settlement. When no closing agent is used, a mortgage lender or broker is not required to provide good funds at closing.	N.J. Rev. Stat. § 17:11C-22(k)
New Mexico	Dry	Unless the net loan funds necessary to complete a purchase of real property have been previously delivered to the seller or to the closing agent, a lender shall deliver the required net loan funds within two business days of the time that the lender deems the closing agent has fulfilled the requirements of the closing agent's duties, except for the recordation of documents, and shall: 1. authorize the closing agent to record with the county clerk all documents necessary to complete the real estate transaction and release the proceeds of the real estate transaction in accordance with agreed upon escrow instructions; 2. advise the closing agent of any funding conditions, as set forth in the lender's escrow instructions, that have not been satisfied and instruct the closing agent in writing what is to be done with any of the lender's funds held in escrow; or 3. advise the closing agent that the documentation for the real estate transaction does not satisfy the lender's escrow instructions, specify the manner in which that documentation does not satisfy those instructions and instruct the closing agent in writing what is to be done with any of the lender's funds held in escrow. "Net loan funds" means the mortgage loan amounts specified in the note and mortgage less lender-retained fees, as specified in the lender's instruction to the closing agent.	N.M. Stat. Ann. §58-21-23.2(A)
New York	See Notes	Closed-end loans: Wet funding - No mortgage broker, mortgage banker or exempt organization shall fail to disburse funds in accordance with a commitment to make a mortgage loan which is accepted by the applicant and fail disburse the mortgage loan proceeds in any form other than: 1. Direct deposit to customer's account; 2. Wire transfer; 3. Bank or certified check; or 4. An attorney's check drawn on a trust account. Any entity may apply to the superintendent for a waiver of the requirements above by demonstrating in a letter that it has or shall adopt another disbursement of loan proceeds which shall satisfy the purposes above; Open-end loans: Dry funding.	3 NY ADC 38.7(a); 3 NY ADC 39.5
North Carolina	Wet	Prior to the disbursement of loan funds, the settlement agent must record the deed of trust or mortgage required to be recorded at settlement and must have verification that the closing funds used for disbursement are deposited in the settlement agent's escrow or trust account. Settlement agents are prohibited from disbursing settlement proceeds unless those proceeds are "collected funds" or in any of the below forms. At or before closing, the lender, purchaser, or seller shall deliver the closing funds to the settlement agent. In the case of a refinancing or any other loan where a right of rescission applies, the closing funds must be disbursed no later than the business day following the expiration of the right to rescission period. These closing funds must be either "collected funds" or one of the following forms: 1. A certified check; 2. A check issued by the U.S., NC, an agency, or an agricultural credit association of the U.S.; 3. A cashier's or teller's check; 4. Official bank check drawn on or issued by a financial institution insured by the FDIC or a comparable agency of the Federal or State government; 5. A check drawn on a trust account of a NC attorney; 6. A personal or commercial check in an aggregate amount <= \$5K per closing if the person making the deposit reasonably believes that the deposit will be irrevocably credited to the settlement agent's escrow or trust account; or 7. A check drawn on the account of or issued by a mortgage banker licensed under the NC Mortgage Lending Act that has posted with the Commissioner a surety bond of at least \$300K. "Collected funds" means funds deposited and irrevocably credited to a settlement agent's account used to fund the disbursement of settlement proceeds which account is a trust account, escrow account, or an account held by a company or its subsidiary which is licensed and supervised by the NC Commissioner of Banks.	N.C. Gen. Stat. § 45A-4; 45A-5; 45A-3



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North Dakota	Wet	There are no rules, regulations, or laws obligating the disbursement of funds at closing; however, the "general practice" in this state is wet.	None
Ohio	Wet	No escrow or closing agent knowingly shall make, in an escrow transaction, a disbursement from an escrow account on behalf of another person, unless the cash, funds, money orders, checks, or negotiable instruments necessary for the disbursement have been transferred electronically to or deposited into the escrow account of the escrow or closing agent and are available for withdrawal and disbursement, or have been physically received by the agent prior to disbursement and are intended for deposit no later than the next banking day after the date of disbursement. The transfers or deposits consist of any of the following: 1. Cash; 2. Electronically transferred funds; 3. Certified checks, cashier's checks, official checks, or money orders that are drawn on an existing account at a federally insured or savings bank, savings and loan association, or credit union; 4. A check issued by the U.S. or OH, or by an agency, instrumentality, or political subdivision of the U.S. or OH; 5. A check drawn on the escrow account of a title insurance company or agent, provided that the agent believes that sufficient funds are available; or 6. A personal check in an amount not greater than \$1K. Closing or escrow agents may advance an amount not exceeding \$1K to pay for any incidental fees, such as conveyance or recording fees, in order to close the sale.	Ohio Rev. Code §§ 1349.21; 1349.22
Oklahoma	Wet	There are no rules, regulations, or laws obligating the disbursement of funds at closing; however, the "general practice" in this state is wet.	None
Oregon	Dry	There are no rules, regulations, or laws obligating the disbursement of funds at closing. However, delaying the release of loan funds to the borrower, the borrower's approved representative or escrow for more than 1 business day following recording of the lien, is a manipulative, deceptive and fraudulent act.	OR ADC 441-870-0030(10)
Pennsylvania	Wet	A licensee shall not disburse the proceeds of a mortgage loan in any form other than cash, electronic funds transfer, certified check or cashier's check where the proceeds are disbursed by the licensee to a closing agent. The above shall not be construed as requiring a lender to utilize a closing agent and shall not apply to disbursements by check directly from the licensee's account payable to the consumer, consumer designees or other parties due funds from the closing. A licensee lender: 1. may not refuse or fail to fund a consummated loan, other than when an applicant has a right of rescission under 12 CFR 226.15 or 226.23; 2. shall fund a consummated loan in a reasonable time period after consummation of the loan or in accordance with any commitment or agreement with the applicant; provided that, if an applicant has a right of rescission under 12 CFR 226.15 or 226.23, a licensee lender is not required to fund a consummated loan in accordance with this subsection until after the applicable rescission period has ended; and 3. shall disburse loan funds to third parties in accordance with any commitment or agreement with the applicant.	7 Pa. Cons. Stat. Ann. § 6123(2); 10 Pa. Code § 46.2(k)
Rhode Island	See Notes	Purchase money first lien mortgage loans, then wet funding. On or before the date of conveyance and/or recordation, the lender must disburse loan proceeds to settlement agent in one of the following forms: 1. Wired funds; 2. Cash; 3. Cashier's check; 4. Government check or other immediately available funds; All other loans, then dry funding.	R.I. Gen. Laws § 19-9-10
South Carolina	Wet	There are no rules, regulations, or laws obligating the disbursement of funds at closing; however, the "general practice" in this state is wet.	None
South Dakota	Wet	There are no rules, regulations, or laws obligating the disbursement of funds at closing; however, the "general practice" in this state is wet.	None



STATE	WET/ DRY	NOTES	CITATIONS
Tennessee [ILT & RML]	Wet	<p>A mortgage lender, mortgage loan broker, mortgage loan servicer, or other person shall, at or before loan closing, cause disbursement of loan funds, in one of the following forms to the settlement agent: 1. Wired funds; 2. Cash; 3. Checks issued by the state or political subdivision of TN; 4. Cashier's check; 5. Teller's check issued by a financial institution and drawn through a financial institution; 6. Checks issued by an instrumentality of the U.S. organized under the Farm Credit Act; 7. A direct deposit by a financial institution to the account of a settlement agent; or 8. Checks issued from the escrow or trust account of a TN licensed real estate broker in an amount not to exceed the earnest money paid by the purchaser and collected in the escrow or trust account. In any transaction in which the borrower may exercise a right of rescission under the federal Truth-in-Lending Act, a mortgage lender, mortgage loan broker, mortgage loan servicer, or other person, shall cause disbursement of loan funds to the settlement agent not later than the first business day after the expiration of the rescission period.</p> <p>No settlement agent shall disburse any funds from an escrow or settlement account until: 1. Disbursement of loan funds have been received by the settlement agent; 2. Such additional funds necessary to be provided by the borrower or other third party to fully fund the transaction have been received. All additional funds > \$1K, shall be provided to the settlement agent in one of the forms addressed above; and 3. All documents required to complete the transaction have been executed and are deemed suitable for recording. In any transaction in which the borrower may exercise a right of rescission under the federal Truth-in-Lending Act, and the settlement agent has received loan funds prior to or on the first business day after the time the rescission right has expired, the settlement agent shall not disburse any settlement proceeds earlier than the first day after the expiration of the rescission period, and the settlement agent has determined that the borrower has not exercised the right of rescission.</p>	Tenn. Code Ann. §§ 47-32-104; 47-32-102(3); 47-32-105
Texas	Wet	<p>A title insurance company, title insurance agent, or direct operation may not disburse funds from a trust fund account until good funds related to the transaction have been received and deposited in the account in amounts sufficient to fund any disbursements from the transaction. "Good funds" means: 1. Cash; 2. Wire transfers; 3. Cashier's check; 4. Teller's check; 5. Any other instrument to be the functional equivalent of a cashier's, certified or teller's check; 6. State of TX warrants; 7. U.S. treasury checks; 8. Checks drawn on an FDIC-insured institution and for which a transaction code has been issued pursuant to and in compliance with a fully executed Immediately Available Funds Procedure Agreement (Form T-37) with such institution. These funds must be received by the escrow agent before they may be disbursed. Good funds in an amount equal to all disbursements must be received and deposited before any disbursement may be made. Partial disbursements, prior to the receipt and deposit of good funds, are not permitted. If a party to the transaction submits too much money, that overage which will not ultimately be a part of the transaction may be refunded at or prior to settlement.</p>	Tex. Ins. Code § 2651.202; Title Insurance Procedural Rule P-27
Utah	Dry	<p>There are no laws requiring mortgage companies to disburse funds at closing, but the law does address title insurance companies. A check may not be drawn, executed, or dated, or funds otherwise disbursed unless the segregated escrow account from which funds are to be disbursed contains a sufficient credit balance consisting of collected or cleared funds at the time the check is drawn, executed, or dated, or funds are otherwise disbursed. Funds are considered to be "collected or cleared," and may be disbursed as follows: 1. Cash or wire transfer may be disbursed the same day it is deposited; 2. Cashier's check, certified check, teller's check, U.S. Postal Service money order, or a check drawn on a Federal Reserve Bank or Federal Home Loan Bank may be disbursed on the day following the date of deposit; or 3. Any other check may be disbursed within the time limits provided by the Expedited Funds Availability Act and related regulations of the Federal Reserve System.</p>	Utah Code Ann. § 31A-23a-406



STATE	WET/ DRY	NOTES	CITATIONS
Vermont	Wet	<p>At or before closing, lender must cause disbursement of loan funds to settlement agent. If a loan has a right of rescission (like refinancing), but has not been exercised, lender shall disburse loan funds prior to 2:00 p.m. Eastern Standard Time of the first business day after the expiration of the rescission period. Until disbursement of loan funds occurs, lender shall not receive or charge any interest on loan. "Disbursement of loan funds" means one or more of the following forms: 1. Cash; 2. Wired funds or electronic transfer; 3. Certified check; 4. Checks issued by a governmental entity or instrumentality; 5. Cashier's check, or teller check or any transfer of funds by check or otherwise that is fully collected and unconditionally available to the settlement agent; 6. Checks or other drafts issued by a state-chartered or federally-chartered financial institution or credit union; and 7. Checks issued by an insurance company licensed in VT. If the lender is acting as settlement agent, the lender shall cause disbursement of the settlement proceeds at the loan closing, or, for any other loan where a right of rescission applies, the lender shall cause disbursement of the settlement proceeds on the first business day after the expiration of the rescission period. The lender shall not be entitled to receive or charge any interest on the loan until disbursement of the settlement proceeds.</p> <p>At loan closing, settlement agent shall disburse settlement proceeds. If a loan has a right of rescission, settlement agent shall disburse loan proceeds on the first business day after the expiration of the rescission period.</p>	Vt. Stat. Ann. tit. 9, §§ 203; 201; 204
Virginia	Wet	<p>First Lien Loans only: Lenders must provide the loan funds to the settlement agent at or before closing in one of the following forms: 1. Cash; 2. Wired funds; 3. Certified check; 4. Check issued by the state or a political subdivision of the state; 5. Cashier's check, or teller's check with equivalent funds availability in conformity with the federal Expedited Funds Availability Act; 6. Checks issued by an insured financial institution or insurance company licensed and regulated by the State Corporation Commission, which checks are drawn on an insured financial institution located within the Fifth Federal Reserve District; 7. Drafts drawn by a credit union on the U.S. Central Credit Union; and 8. Checks issued by a state or federal savings and loan association or savings bank operating in Virginia, which checks are drawn on the Federal Home Loan Bank of Atlanta. However, if a loan has a right of rescission (like refinancing), lender must provide funds to the settlement agent within 1 business day after the expiration of the right of rescission. The lender shall not be entitled to receive or charge any interest on the loan until disbursement of loan funds and loan closing has occurred.</p> <p>The settlement agent then must disburse all funds within 2 business days of settlement. A settlement agent may not disburse any or all loan funds or other funds coming into its possession prior to the recordation of any instrument, except (i) funds received which are overpayments to be returned to the provider of such funds, (ii) funds necessary to effect the recordation of instruments, or (iii) funds which the provider has by separate written instrument directed to be disbursed prior to recordation of any instrument.</p>	Va. Code §§ 6.1-2.11; 6.1-2.12; 6.1-2.10; 6.1-2.13
Washington	Dry	<p>There are no laws requiring lenders or brokers to disburse funds at closing, but the law does address escrow agents. Escrow agents shall not make disbursements on any escrow account without first receiving deposits directly relating to the account in amounts at least equal to the disbursements and shall not make disbursements until the next business day after the funds are deposited, unless the deposit is made in one of the following forms: 1. Cash; 2. Interbank electronic transfer; 3. Negotiable orders of withdrawal; 4. Money orders; 5. Cashier's check; 6. Certified checks that are drawn on financial institutions located in WA; or 7. Any depository check, including any cashier's check, certified check, or teller's check, which is governed by the Federal Expedited Funds Availability Act.</p>	WA ST § 18.44.400(3)



STATE	WET/ DRY	NOTES	CITATIONS
West Virginia	Wet	This applies to settlements of loans secured by deeds of trust on owner-occupied residential 1-4 family dwellings. This does not apply to construction loans or any other loans where the parties agree to provide for the disbursement of the proceeds in stages. At or before closing, lender must cause disbursement to the settlement agent in one of the following forms: 1. Wired funds; 2. Cash; 3. A certified check; 4. Check issued by the U.S. treasury or WV, or an instrumentality of the U.S. or WV; 5. Cashier's check, teller's check, or similar draft or obligation of a federally insured bank, savings bank, savings and loan association, credit union, or any holding company or wholly owned subsidiary of the foregoing; 6. Checks issued by a licensed lender in WV which has posted the surety bond required by the Residential Mortgage Lender, Broker, and Servicer Act; 7. Checks issued by an insurance company licensed and regulated by the WV insurance commission, which checks are drawn on a federally insured financial institution; 8. Checks drawn on the escrow account of an attorney licensed to practice law in WV or a real estate broker licensed in WV; or 9. A personal check or a check in an aggregate amount not exceeding \$5K. However, In the case of a refinancing or any other loan where a right of rescission applies, the closing funds must be disbursed within 1 business day after the expiration of the right of rescission period required under the Truth-in-Lending Act., unless the loan is rescinded by the borrower. The lender may not charge or receive any interest on the loan until both loan closing and disbursement of loan funds have occurred.	W. Va. Code §§ 46A-6K-1; 46A-6K-3; 46A-6K-2
Wisconsin	Wet	Lenders are required to deliver qualified loan funds to the settlement agent before or immediately upon completion of the loan settlement in one of the following forms: 1. Wire transfer; 2. Cashier's check; 3. Teller's check; 4. A negotiable check on which the lender or its affiliate is the drawee; or 5. The transfer of loan funds by the lender into an account maintained by the lender or its affiliates in favor of the borrower or settlement agent.	Wis. Stat. Ann. §§ 708.10; 403.104(1)
Wyoming	Wet	There are no rules, regulations, or laws obligating the disbursement of funds at closing; however, the "general practice" in this state is wet.	None