

Ohio Revised Code Section 1349.20

As used in sections 1349.20 to [1349.22](#) of the Revised Code:

(A) "Banking day" means any day on which the federal reserve bank is open to the public for carrying on substantially all of its functions.

(B) "Check" means a negotiable instrument that is drawn on a federally insured bank, savings and loan association, credit union, or savings bank and contains an unconditional order to pay, on demand, a specified sum in money.

(C) "Escrow account" means a checking account with a federally insured bank, savings and loan association, credit union, or savings bank, which is used exclusively for the deposit of funds transferred electronically or otherwise, cash, money orders, or negotiable instruments that are received by the escrow or closing agent to effect an escrow transaction, but excludes an account of an attorney that is used to hold client funds and an account maintained by a real estate broker under division (A)(26) of section [4735.18](#) of the Revised Code.

(D) "Escrow or closing agent" means a person who controls and effects, in an escrow transaction, the delivery described in division (E) of this section, but excludes a federally insured bank, savings and loan association, credit union, or savings bank that makes a loan as part of a residential real property transaction and excludes a real estate broker who, in a fiduciary capacity, receives and deposits, in an account maintained under division (A)(26) of section [4735.18](#) of the Revised Code, cash, funds, checks, or negotiable instruments for earnest money or good faith or other purposes.

(E) "Escrow transaction" means a transaction in which a person, for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance, or lease of an interest in residential real property to another person, provides a written instrument or document, money, negotiable instrument, check, evidence of title to real property, or any other thing of value to an escrow or closing agent, to be held by the agent until a specified event occurs or until the performance of a prescribed condition, when it is to be delivered to a specific person by the agent in compliance with applicable instructions, whether by filing such written instrument or document in the public records or by direct tender to the appropriate person.

(F) "Negotiable instrument" has the same meaning as in section [1303.03](#) of the Revised Code.

(G) "Residential real property" means any real property improved or to be improved with a one- to four-family dwelling.

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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 following conditions are met:

(A) 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.

(B) The transfers or deposits described in division (A) of this section consist of any of the following:

(1) Cash or electronically transferred funds;

(2) Certified checks, cashier's checks, official checks, or money orders that are drawn on an existing account at a federally insured bank, savings and loan association, credit union, or savings bank;

(3) A check issued by the United States or this state, or by an agency, instrumentality, or political subdivision of the United States or this state;

(4) A check drawn on the escrow account of a title insurance company or title insurance agent, provided the escrow or closing agent has reasonable and prudent cause to believe that sufficient funds are available for withdrawal in the account upon which the check is drawn at the time of disbursement;

(5) A personal check in an amount not exceeding one thousand dollars.

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Nothing in section 1349.21 of the Revised Code prohibits an escrow or closing agent from advancing funds not exceeding one thousand dollars from an escrow account or otherwise on behalf of a party to an escrow transaction for the purpose of paying incidental fees, such as conveyance and recording fees, in order to effect and close the sale, purchase, exchange, transfer, encumbrance, or lease of residential real property that is the subject of the escrow transaction.

