Title at the Speed of Banking

Description

Faster payments, greater automation and even advances in AI have all made the world of real-time treasury management a practical reality. What does this mean for your company?

Today, the clear expectation is for anytime payments, but how to access those payments makes a difference. Increasingly, title companies are receiving Good Funds payments via wire, but whatâ??s the difference between wires and ACH?

A stateâ??s Good Funds laws establish what are acceptable forms of closing funds in real estate. The rules are meant to provide certainty in real estate and help deter fraud; and the fastest way to transfer those funds is electronically.

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At first glance, ACH transactions and wires look very similar, the key differences being speed and cost. If youâ??re a title company though, there are other differences that matter much more.

An ACH deposit cannot be accepted as Good Funds because it is reversible. An ACH transfer is not a bank-to-bank wire transfer. Instead, ACH transfers occur in bulk and can be recalled up to ninety days after the transaction. Wire transfers are bank-to-bank and cannot be recalled, making them a strong payment option. With speed though comes the concern about fraud, demanding that title companies work with a financial partner to help them remain well-protected.

When checks and ACH do come into play an important tool in this frenetic payments ecosystem is Positive Pay. Positive Pay is a fraud detection tool that matches the account number/name and dollar amount of each check or ACH transfer submitted for payment with a list of checks or payments approved by the company. Positive Pay is critical in efforts to combat payments fraud where it starts. The other important aspect are title companies themselves.

Be sure to conduct due diligence with your financial institution to ensure their safeguards against wire fraud are the current. And by now most companies know to never accept wiring instructions via email and always be sure to call and verify any changes.

Sandy Spring Bankâ??s Title Advantage program features a team of professionals who work collaboratively with clients to fine tune these and other processes to help them make deadlines and stay a step ahead of the fraudsters.

For more information on Title Advantage, please visit sandyspringbank.com/title.

Disclosures

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