

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Title Insurance Act is amended by adding  
5 Section 26 as follows:

6 (215 ILCS 155/26 new)

7 Sec. 26. Settlement funds.

8 (a) A title insurance company, title insurance agent, or  
9 independent escrowee shall not make disbursements in  
10 connection with any escrows, settlements, or closings out of a  
11 fiduciary trust account or accounts unless the funds in the  
12 aggregate amount of \$50,000 or greater received from any single  
13 party to the transaction are wired funds unconditionally held  
14 by and irrevocably credited to the fiduciary trust account of  
15 the title insurance company, title insurance agent, or  
16 independent escrowee; are good funds as defined in paragraphs  
17 (6) or (7) of subsection (c) of this Section; or are collected  
18 funds as defined in subsection (d) of this Section.

19 (b) A title insurance company or title insurance agent  
20 shall not make disbursements in connection with any escrows,  
21 settlements, or closings out of a fiduciary trust account or  
22 accounts unless the funds in the amount of less than \$50,000  
23 received from any single party to the transaction are collected

1 funds or good funds as defined in subsection (c) of this  
2 Section.

3 (c) "Good funds" means funds in one of the following forms:

4 (1) lawful money of the United States;

5 (2) wired funds unconditionally held by and  
6 irrevocably credited to the fiduciary trust account of the  
7 title insurance company, the title insurance agent, or  
8 independent escrowee;

9 (3) cashier's checks, certified checks, bank money  
10 orders, official bank checks, or teller's checks drawn on  
11 or issued by a financial institution chartered under the  
12 laws of any state or the United States and unconditionally  
13 held by the title insurance company, title insurance agent,  
14 or independent escrowee;

15 (4) a personal check or checks in an aggregate amount  
16 not exceeding \$5,000 per closing, provided that the title  
17 insurance company, title insurance agent, or independent  
18 escrowee has reasonable and prudent grounds to believe that  
19 sufficient funds are available for withdrawal in the  
20 account upon which the check is drawn at the time of  
21 disbursement;

22 (5) a check drawn on the trust account of any lawyer or  
23 real estate broker licensed under the laws of any state,  
24 provided that the title insurance company, title insurance  
25 agent, or independent escrowee has reasonable and prudent  
26 grounds to believe that sufficient funds are available for

1 withdrawal in the account upon which the check is drawn at  
2 the time of disbursement;

3 (6) a check issued by this State, the United States, or  
4 a political subdivision of this State or the United States;  
5 or

6 (7) a check drawn on the fiduciary trust account of a  
7 title insurance company or title insurance agent, provided  
8 that the title insurance company, title insurance agent, or  
9 independent escrowee has reasonable and prudent grounds to  
10 believe that sufficient funds are available for withdrawal  
11 in the account upon which the check is drawn at the time of  
12 disbursement.

13 (d) "Collected funds" means funds deposited, finally  
14 settled, and credited to the title insurance company, title  
15 insurance agent, or independent escrowee's fiduciary trust  
16 account.

17 Section 99. Effective date. This Act takes effect January  
18 1, 2009.