

# Review Earnest Money Being Held

Earnest money is usually paid by certified check, personal check or a wire transfer into a trust or escrow account that is held by a real estate brokerage, legal firm or title company. The funds are held in the account until closing when they are applied toward the buyer's down payment and closing costs.



Earnest money should be immediately deposited into the escrow account to verify that the funds are good, then a file should be created in the real estate closing software immediately to record the deposit.

It is important that all files showing a positive balance are reviewed each month, especially if they are holding earnest money, because earnest money shouldn't be held past the contract expiration date. If a file does not close, then the earnest money should be disbursed based on the real estate contract.



FOR MORE INFORMATION  
ABOUT **ESCROW**  
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