



**State of New Jersey**  
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*Commissioner*

**BULLETIN NO. 04-09**

**TO: ALL TITLE INSURERS IN NEW JERSEY**

**FROM: HOLLY C. BAKKE, COMMISSIONER  
DEPARTMENT OF BANKING AND INSURANCE**

**RE: DISBURSEMENT OF CLOSING OR SETTLEMENT PROCEEDS OF A  
REAL ESTATE TRANSACTION FROM COLLECTED FUNDS**

The Department of Banking and Insurance ("Department") is notifying all title insurers of an amendment to N.J.S.A. 17:46B-10.1. The amendment was signed into law on January 9, 2004 and took effect on that date.

The effect of the amendment is to clarify an issue that concerns title insurance companies and title insurance producers, specifically the requirement under N.J.S.A. 17:46B-10.1.b. that disbursements of closing or settlement proceeds be made from collected funds. That statutory provision requires that closing or settlement proceeds of real estate transactions be disbursed by title insurance companies or title insurance producers from funds deposited by cash, electronic wire transfer, or certified, cashier's, teller's or bank check or other collected funds. Prior to the amendment, it was not clear what the term "collected funds" meant. As amended the statute now explicitly provides that a New Jersey licensed attorney's trust account check and a trust or escrow account check from a New Jersey licensed insurance producer shall be considered "collected funds."

All title insurance companies should be familiar with the provisions of N.J.S.A. 17:46C-10.1 as amended and conduct their business activities in accordance with its provisions. Title insurance companies are encouraged to share the information contained in this bulletin with their agents.

5/26/04

Date

/s/ Holly C. Bakke

Holly C. Bakke, Commissioner

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