

# Unclaimed money in the real estate trust account

**This bulletin explains the brokerage's obligations related to unclaimed money in the trust account, including when and how it must be paid to RECO.**

## Summary

All unclaimed money held in trust for more than two years must be paid to RECO.

Where entitlement to the money is clear, the brokerage is expected to have made best efforts to locate the person entitled to the money.

If the amount of unclaimed trust money held by a brokerage is less than \$25.00, the brokerage is not required to forward the money to RECO, but it may choose to do so.

## Unclaimed money when entitlement is unclear

If a brokerage holds money in trust for a period of two years and entitlement to the money has not been determined or is unclear, the brokerage must pay the money to RECO.

Where the money has been held in an interest-bearing trust account, the unclaimed money paid to RECO will include both the original trust deposit and any interest accrued to the original trust monies up until the time those monies are paid out to the RECO.

The brokerage must provide the following to RECO:

- A cheque, money order, bank draft, or electronic funds transfer representing the amount of the deposit and any accrued interest payable to the Real Estate Council of Ontario;
- A copy of the relevant agreement of purchase and sale and any related documents;
- A copy of the trade record sheet related to the transaction;
- A copy of the relevant trust account transaction record or records; and
- Any additional information the brokerage is aware of regarding why entitlement to the trust money has not been determined or is unclear.

RECO Bulletins are a series of publications developed to provide helpful information to brokerages and real estate agents about their duties and obligations under the *Trust in Real Estate Services Act, 2002* (TRESA) and its regulations. Bulletins may be updated as required. Please check the RECO website to ensure you are referencing the most current version.

RECO Bulletins are for convenience only, they do not constitute legal advice. For complete details consult the [legislation](#).

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## Unclaimed money when the person entitled to it cannot be located

If a brokerage holds money in trust for a period of two years after the person for whom it is held first became entitled to payment of the money and the person cannot be located, the brokerage must pay the money to RECO.

Before the brokerage pays the money to RECO the brokerage must make reasonable efforts to locate the person entitled to the money being held in trust. It is expected that a brokerage will make reasonable efforts to locate the person entitled to the money over the course of the two years the money is held in trust.

Where the money has been held in an interest-bearing trust account, the unclaimed money paid to RECO will include both the original trust deposit and any interest accrued to the original trust monies up until the time those monies are paid out to the RECO.

The brokerage must provide the following to RECO:

- A cheque, money order, bank draft, or electronic funds transfer representing the amount of the deposit and any accrued interest payable to the Real Estate Council of Ontario;
- A copy of the relevant agreement of purchase and sale and any related documents;
- A copy of the trade record sheet related to the transaction;
- A copy of the relevant trust account transaction record or records; and
- Proof of unsuccessful attempts to contact the entitled person(s) during the two-year period following the determination of the entitlement to the trust money, (for example, postmarked, returned envelopes).

## Related information

Bulletin No. 8.2 Shortfalls and missing property