

# Cashier's Check vs. Certified Check:

## Here Are the Differences

People use certified checks and cashier's checks for transactions that require verified funds. Banks ensure the availability of funds for these checks, so recipients trust them more than personal checks.

While they seem very similar, there are differences between these two types of checks. Read on to find out how they differ and if one is preferable to the other.

### What Is a Cashier's Check?

A cashier's check is a check issued by a bank or credit union and backed by its own funds, not against the funds in a depositor's account.

The depositor pays for the cashier's check with funds from his own account and the bank holds the money in its own account. When it's deposited or cashed, the funds are drawn from the bank's account.

The image shows a sample cashier's check on a blue background. The check is titled "CASHIER'S CHECK" and includes a globe icon. It features the following details:

- Check Number: 1234567890 (top right)
- Branch Number: 5673 (top right)
- Date: OCTOBER 10, 2019 (top right)
- Pay to the Order of: (blank line)
- Amount: \$ 200.00 (top right)
- Amount in Words: TWO HUNDRED DOLLARS AND 00 CENTS (middle)
- Unit: DOLLARS (middle right)
- Location: Bank Name, 123 First St., AnyCity, US 10101 (bottom left)
- Authorized Signature: (blank line, bottom right)
- Microprint: #1234567890# (bottom)

## What Is a Certified Check?

A certified check is when you write a personal check and ask your bank or credit union to stamp and verify that the signature is legitimate and that funds are available in your account.

Using this method is another way to pay for purchases or bills while providing proof that the funds were deemed available. The bank will place a hold on your account for the amount on the check, which guarantees fund availability.

## What Is the Difference Between a Cashier's Check and a Certified Check?

Cashier's and certified checks accomplish the same goal of providing guaranteed funds to a recipient. But there are some minor differences between the two. It is rare that a bank will offer both options, and most banks will only offer cashier's checks.

### Funding Source

When you get a cashier's check, you give the bank the amount the check will be made out for. The bank then writes the check and deposits the funds into its account. In essence, the bank's funds ensure the check will go through.

With a certified check, your funds cover the check amount. The bank verifies that you have the funds in your personal account to cover the check. You sign the check, and a bank representative signs the check. The check will also have "certified" or "accepted" printed on the check.

### Signature on the Check

Since a certified check is a personal check that a bank or credit union verifies, the account holder is the one who signs on the bottom, along with a bank representative. On the other hand, a cashier's check is a check that comes from the bank, so the only bank's signature goes on the check.

## **Payer of the Check**

Another minor difference between the two payment methods is whose name is written as the check's issuer. When the bank certifies your check, it has your name on it; when you get a cashier's check, it has the bank's name as the payer.

## **Availability of Funds**

The Electronic Code of Federal Regulations requires banks to make funds for certain types of deposits available the day after putting the money into an account. Both cashier's and certified checks fall under this requirement.

## **Safety**

Fraudsters will always look for ways to scam people. While funds are guaranteed when the check is real, unscrupulous individuals forge both certified and cashier's checks.

## **Cashier's Check vs. Certified Check: Which Is the Best Option?**

If a situation requires an official bank check, either a cashier's check or certified check will likely be acceptable. Both provide assurances that the check won't bounce, so either one should be adequate for recipients.

A cashier's check, however, might provide an added layer of security for some because ultimately the bank is accountable for the funds.

If one payment type or the other doesn't matter to the recipient, ask your bank or credit union which is cheaper. Note that online-only banks don't offer certified checks, and some brick-and-mortar banks may not offer certified checks.